

# HOUSE SELECT COMMITTEE ON CERTIFICATE OF NEED PROCESS AND RELATED HOSPITAL ISSUES

North Carolina Department of  
Health and Human Services  
Division of Health Service Regulation  
Certificate of Public Advantage Program  
November 15, 2012

# Participants

- K. D. (Kip) Sturgis, Assistant Attorney General, North Carolina Department of Justice
- David Motsinger, CPA, Partner, Dixon Hughes Goodman, LLP
- Christopher B. Taylor, CPA, Assistant Secretary, North Carolina Medical Care Commission

# Issues

- Evaluation of Mission Health System's:
  - Compliance with the Third Amended Certificate of Public Advantage (“the COPA”) for the five fiscal years ending September 30, 2007 through September 30, 2011
  - Compliance with the Margin and Cost per Adjusted Discharge Caps in the COPA for FYE September 30, 2011.

# Planning

- Determine which items within the COPA are of a nature which can be covered under an audit conducted in accordance with standards prescribed by the American Institute of Certified Public Accountants (“AICPA”) or be covered under standards prescribed by AICPA for an Agreed Upon Procedures Report.

# Planning

- Determine the confidence level that must be derived from the evaluation. Evaluate the pros and cons of each approach including the level of assurance which can be gained from each approach, the costs of each approach and the time required for each approach.

# Planning

- Execute “engagement letters” for the Market Basket Report and the Compliance Reports which set forth the standards governing the work, the procedures to be conducted (including the sampling methodology), the confidence level required, the items to be subjected to the procedures and the costs of the work.

# The Process

- Dixon Hughes Goodman, LLP conducts the compliance evaluation and preparation of the Compliance Reports and Market Basket Report in accordance with agreed upon terms of the engagements.

# The End Result

- Reports are delivered to NCDHSR and NCDOJ.
- Copies of the Reports are furnished to Members of the House Select Committee on Certificate of Need Process and Related Hospital Issues on September 13, 2012.
- The Reports are posted on NCDHSR Website on September 13, 2012.
- Presentation of Results of the Compliance Reports and the Market Basket Report to the Subcommittee on November 15, 2012.



# Other Issues

- Dissemination of report on compliance with cost per adjusted discharge and margin caps for FYE September 30, 2011. Posted on NCDHSR Website.
- Discussion of compliance with caps on cost per adjusted discharge and on margin November 15, 2012.

# Other Issues

- Compliance procedures will be incorporated as part of Market Basket Report for FYE 2012.

# Questions?